

Opportunities and Challenges for Bank Syariah Indonesia in Increasing Syariah KPR Financing Distribution

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Abstract: The Objective of the study is to know what challenges and opportunities for Bank Syariah Indonesia (BSI) in distributing Syariah housing funds (KPR) are. It was done by the analysis and diagnosis of the company's environment. The research uses a literature research technique by collecting data with documentation, notes, books, and articles. Whilst checklist classification material study was used for data collection instruments. The data analysis techniques used are by gathering the essence of focused study through collected sources and then analyzed the data to determine the connections. The results show that BSI has a promising opportunity to obtain profit in the distribution of syariah credit financing housing scheme with a stimulus provided by the government. Moreover, the economy is starting to be conducive which implicates social support conditions, optimization in utilization-tool technology, and lastly the company's good image. As for BSI's challenges, it is necessary to enhancement literacy of syariah finance and intensive education finance especially to the consumers and to society in order get to know BSI more.

Keywords: syariah finance, challenges, opportunities, environment, BSI

INTRODUCTION

Bank Syariah Indonesia, which is abbreviated with BSI, established on February 1st, 2021. Bank Syariah Indonesia is a merger of 3 state owned banks including PT Bank BRI Syariah, Tbk, PT Bank BNI Syariah and PT Bank Syariah Mandiri. The mergers of syariah banking in Indonesia will stimulate more innovative, more useful and stronger so that it can become part of Indonesia's development engine.

Innovation product in financing housing, created by BSI, is expected to win competition. it is, needed to obtain positioning whilst the company needs to keep going continuously to increase capability to read the dynamic environment. Reading environment covers identifying, diagnosing and analyzing sustainable change in environment experience. Ability company to read environment will make company able to catch opportunity and avoidance from various threat. According Sudarmayanti [2014], every organization with business activity will always do analysis and diagnosis Environment. What is meant with environmental diagnosis here is to analyze and search its external factors of the company, in which will drive or guide company toward threat or business opportunity. There is change in environment which can give negative impact to some company, but also can have positive impact to another company.

Like other banks, BSI has various saving products with various criteria offered to its consumer. BSI has housing financing product offered, which is called KPR Sejahtera (Prosperous Housing Funding). BSI KPR Sejahtera is facilitating financial support to fulfil need of government subsidy housing with syariah principle. The advantages are BSI KPR Sejahtera has superiority installments light and steady, it is a housing subsidy with down payment assistance and appropriate syariah principle.

Growth in Indonesian population from year to year has experience significantly. The increase in growth population will give impact to rise the need of residence or housing field. It is widely known that house is classified as primary human need. The table 1 below shows the data of population growth in Indonesia:

Table 1. Rate Growth Indonesian Population 2018-2020

Year	Woman	Man	Amount
2018	1.31 4,787,000	1,326,830,000	2,641,617,000
2019	1.32 8,863,000	1,340,256,000	2,669,119,000
2020	1.34 2,664,000	1,353,370,000	2,696,034,000

Source: Central Statistics Agency (data processed)

On the other hand, the growth of resident taken from The Central Statistic Agency (BPS) for the period of 2018-2019, it experienced an increase in residents as much as 27,502,000. In addition, resident's woman as many as 14,076,000 and men as many as 13,426,000. As for the 2019-2020 period, the growth resident rate amounting to 26,915,000. The data shows that during the 2018-2020 period the pace of resident growth experience increasing in a row. The significant resident growth in a consecutive way will drive the increasing need in housing which will becomes man's base need.

Public housing field for lower class is a problem, because it needs earning enough buying power to own residence. Public Housing field for intermediate class is too low. This issue is an ongoing problem pursued by the higher (upper) government nor local government to find the best solution. As stated in Article 19 of Law Number 1 of 2011, concerning housing and settlements, states that everyone has the right to have a decent, harmonious and orderly place to stay. Therefore, government continues to increase financing housing area for intermediate class to lower class. By law, invite housing number 1 of 2011, chapter X is set in a special way about funding and systems payment. Banks which distribute housing funds to citizen, including Bank Mandiri, Bank BTN and the latest is Indonesian Syariah Bank. During pandemic time, strategy was carried out by conventional banks differently. Bank Mandiri used selective strategies in serving customers. Bank BTN uses a strategy to serve public service officers, such as: state owned company (BUMN), civil servant (PNS), state soldiers (TNI and POLRI) employees, which has low uncertainty.

Like other banks, BSI has various saving products with various criteria offered to its consumer. BSI has financing housing product designation as KPR Sejahtera. BSI KPR Sejahtera is facilitating financial support to fulfil need of government subsidy housing with syariah principle. The advantages of BSI KPR Sejahtera are, it has superiority in light and steady installments, it has down payment with subsidy assistance and appropriate syariah principle.

One of BSI mission is following handle financing housing area for public. Indonesian syariah bank offers different products from those offered by conventional banks. Griya Hasanah is a financing housing product with a special margin and tenor of up to 30 years. As a result, society can buy product as a good house footprint nor apartment. Product Griya Simuda focused on housing segmented for millennial generation. Bank Syariah Indonesia provides financing housing solution for millennial generation which is friendly to fulfil the need of financial, social and spiritual.

Something the company that does analysis and environment diagnosis will be more effective than not to do so. As for environment analysis goals according to Sudarmayanti [2014], it is to develop a specific list from possible opportunities of commercial companies and threats that must avoided. Therefore, from the explicit description mentioned above, the writer interested to address this title of study: **Opportunities and Challenges for Bank Syariah Indonesia In Increasing Syariah KPR Financing Distribution.**

Theoretical Review

Syariah Bank (BSI)

Bank Syariah Indonesia was established on February 1, 2021. Bank Syariah Indonesia (BSI) is a merger of Bank Rakyat Indonesia Syariah, Bank Mandiri Syariah and BNI Syariah which are subsidiary of state-owned company operating in the banking field. On January 27 2021, the Financial Services Authority (OJK) provided permission with Number : SR-3/PB.1/2021 concerning mergers and changes Name from Bank Rakyat Indonesia Syariah, Bank Syariah Mandiri and BNI Syariah to become the Indonesian Syariah Bank [Hutauruk & Dina Mirayanti, 2021]. According to Veithzal Rivai [2010], Islamic Banking is an operating bank in accordance with existing principles in teachings Islam, it works as a business entity that distributes funds to and from public or as intermediary

Bank Syariah Indonesia has one product banking syariah in the field of financing housing which mostly known by people with Public Housing Funding (KPR) Syariah. GRIYA HASANAH and GRIYA SIMUDA, subsidized and non- subsidized are housing products offered by syariah banks Indonesia. During the pandemic, Bank Indonesian Syariah still exists capable channel financing GRIYA HASANAH and GRIYA SIMUDA subsidized and non- subsidized amounting to 13.93 percent in annual way. This significant increase, shows that business distribution of these funds is resilient business. Pandemic conditions Griya KPR Trends. PT Bank Syariah Indonesia Tbk (BSI) takes aim on mark financing housing area BSI Griya products SIMUDA, the target segment customers millennial until reaching IDR 500 billion For stage beginning [Ali Akhmad Noor Hidayat, 2022]

Company environment

Environment companies have two parts, that are environment work and environment social. Environment Work known as industrial environment, it is element or direct group drive or affected by operational activity consisting of organizations structure from shareholders, government, suppliers, local community, competitors, customers, creditors, special groups interest and trade association. Environment social consists from strength which generally not directly related to operational activity, but can and often does influence the long term decisions period. It can also be said as environment that unrelated with situation consisting of companies from economic, social, political, technological and ecological.

BSI Achievements

Based on article from Kompas.com 11 June 2021, that BSI has received appreciation as:

1. The best in Emerging Synergetic Business initiative iNews Maker Awads 2021
2. The Words's Best Banks by Forbest Global Islamic Finance Award for in the field of Leadership.
3. Supporting Syariah Banks Control Monetary Best in the 2021 Bank Indonesia Award
4. The Islamic Bank 2021 in CNBC INDONESIA MOST TRUSTED COMPANIES in the Corporate Governance Perception Index (CGPI) Award 2021, and
5. Best Syariah Bank in Republica Syariah Award 2021.

PESTEL Analysis (Political, Economic, Social, Technological, Environmental, Legal)

Understanding PESTEL analysis, it is identifying strength analysis macro or external factor which will threaten or give opportunity to organization or company. After the company identify environment, then it will identify strength, and then it will plan a strategy to face the environment, in order to keep the company existence.

In marketing analysis, situational analysis is very important before implementing strategy. PESTEL analysis is one method to do the situational analysis. Pastel analysis includes number of aspects that include political, economic, social, technological, environmental and legal [Paramadita et al.].

Main focus of PESTEL analysis is macro elements which control company's management. Element macro or external elements which is from outside of the company, but it can influence the company. The objective of PESTEL analysis is to identify Business Company now and in the next future, to own opportunity to grow and develop, or on the contrary to overcome threats.

Literacy BSI Finance

Nowadays, the Indonesian society start to show desire to live a life with Islamic values in every aspect of their life. This is promising opportunities in the financial industry, to must own competitive Power and organization structure nor human source Power. Based on records at the Financial Services authority, public literacy to banking and syariah finance 9%, far left behind from literacy to conventional finance which is almost 40%. Based on explanation Main Director of BSI Hery Gunardi said that Syariah banking literacy is 9.1% and conventional bank literacy of 76.2%

METHODOLOGY

This research based on thinking with a literature study method (Library Research). According Sugiono [2012], Literature research is a theoretical study, referencing as well as literature other related things with culture, values and norms that develop in a situation researched social. Zed [2008], stated that steps in study literature include; 1. Choose a general idea about topic study. 2. Search in -depth information. 3. Emphasize focus study. 4. Search and find material required reading. 5. Reading and creating notes. 6. Review and enrich material reading. 7. Classify and start write. Collection data technique with documentation, notes books, articles and so on. The data collection instruments are gathered by a check list classification material study. The data analysis techniques used are by gathering the essence of focused study through collected sources and then analyzed the data to determine the connections.

RESULTS AND DISCUSSION

Analysis of Facet Political

Regulations issued by the Government are company's external factors which has no direct influence to the company. Regulations can be profitable to company or on the contrary is threat. Bank Syariah Indonesia is a state-owned company, and regulations issued by the government have a positive impact to grow the BSI business interests. On political factors, which formed by the government regulations, many Indonesian Syariah Banks received stimulus from the government. The stimulus is in the form of Zero Down Payment (DP) percent for purchasing Houses. This scheme provides room for bank consumers to do financing in housing requests. On the other hand, stimulus in the form of liberation tax for luxurious goods, to funding car area, this will increase cars purchasing and financing will be given optimally from auto financing field. Success restrictions related with, prevention in wide spreading pandemic, success implementation in Vaccination is also a supportive factor in stability and conducive politics. In year 2021 public sentiment to government was well enough, this indicates good political stability. indeed, favorable and stability in politics, will provide positive impact to BSI business where product demand will increase as well as the company profits.

Analysis of facet Economy

The two years Pandemic era has made economic growth bellow expectation. A number of company experiences operational difficulties, and rollover lots of mats happen, termination working contracts or layoffs. On the other hand, it grows and stimulates businesses only for those who can maintain income from society, like health mask business, ornamental plants, ornamental fish and many others. There is incentive from government to people affected by COVID, employees from the private sector owns it salary under 5 million Rupiah, and smooth salaries for civil servants and law enforcement

personnel, included soldiers (TNI, POLRI). Employee's benefit, such as additional salary bonus (THR) and 13th salaries income public, are still adequate. Especially market segment of BSI is BUMN employees, civil servants, TNI, POLRI, of course BSI can be optimistic, if it from facet economy, the business will still can grow and develop.

The housing offered by BSI is varied, such as BSI Griya Hasanah and BSI Griya Simuda, Moreover, BSI provides mortgage payment tenors of up to 30 years and down payment starts from 0 (zero) percent. When you look at it from economics point of view, granting a tenor of up to period 30 years' time provides convenience for customers. In particular for the new millennial generation who just have a family and are in need for residence. BSI is capable to provide the lowest margin between other banking competitors. The margin value offered by BSI is 3.3%. The low margin level given to customers in KPR financing also has objective to remove stigma in society that Syariah Banks are Expensive. For customers, the low margin level naturally will raise the customer trust level, that BSI products are not as expensive as suspected, which in the end will push growth in BSI business, specifically financing housing field.

Analysis of Social Aspect

Based on 2019 Central Statistics Agency (BPS) data, the number of families in Indonesia who own house are 80.07 percent, meanwhile the others stay with rent home method, staying at home relatives and even nomadic. On the other hand, the life styles of the millennial generation are majority to desire having own residence at young age. It becomes opportunity for BSI to promote financing Griya Hasanah and Griya Simuda. Therefore, the millennial become a potential segment for Syariah Banking. The products and services provided must be capable to adapt with the need of millennial generation and the rapidness of telecommunication technology development.

Analysis of Facet Technology

BSI's Griya Simuda housing financing (KPR) product segment is targeted for millennial generation and younger customers. In addition to gain recognition from millennials generation, who live in the digital era and the majority of them are internet friendly, then BSI approaches through social media such as Instagram and Twitter. The BSI Director also took part as the service influencer as well as artist or public figure to attract attention for the millennials and younger customers [Johan Tallo, 2021]. The fast growth of digital technology and the COVID pandemic caused change in sales approach, from offline to online. BSI, in communicating its existence and product, utilize various social media platforms immensely to embrace Millennials consumer. Expectantly, by promoting the good and consistent image of BSI, will increase awareness and drive new consumer.

Analysis from Facet Environment Residence

Regarding to the law, housing must provide a harmonious and orderly home to public. Naturally, house which has good, clean and healthy environment. There is place for children to play, or plant as air circulation, which will make people as residents feel comfortable. The customers need for not to be worried related Environmental Legal Permit from the housing offered by BSI. Therefore, the policy taken for providing housing with fine environment, BSI has been collaborating with trustworthy developers with reliable reputation continuously in building and designing housing area layout. Sinar Mas Land, Perumnas, Jaya Real Property, Ciputra, Metropolitan Land, Summarecon are several developers who BSI has worked together with.

Analysis from in terms of Law/Legality

From law point of view, Bank Syariah Indonesia is a legal business entity, because BSI is merger of three state-owned banks consisting of Bank BRI Syariah, Bank Mandiri Syariah and Bank BNI Syariah. The merger was on February 1st, 2021. On January 27th, 2021, OJK issued a permit Number: SR-3/PB.1/2021 concerning mergers and changes name from Bank Rakyat Indonesia Syariah, Bank

Syariah Mandiri and BNI Syariah to become the Indonesian Syariah Bank [Hutauruk & Dina Mirayanti, 2021]. The OJK recognition to BSI is a guarantee of safety for conducting transaction within BSI. The customers will feel protected because it is a legal institution, not a counterfeit one. On the other hand, there is a government regulation about financing housing listed in the law invite housing no. 1 of 2011 Chapter X, which arrange funding and payment systems in housing field. Banks that distribute public housing funds including Bank Mandiri, Bank BTN and the latest is the Indonesian Syariah Bank.

Analysis was carried out to see the opportunities and threats in perspective of Indonesia Syariah Bank (BSI). In period of pandemic, BSI capable channeling Griya Hanasah dan Griya Simuda financing through subsidized and non-subsidized with amounting to 13,93 percent in annual. This achievement shows that business distribution of housing funds has survived during the pandemic time. Griya KPR syariah trends remain strongly increase, because it provides favorable condition with supported subsidies and various government support. Stimulus provided by the government, make the leader of Indonesian Syariah Banking optimistic, moreover with COVID smooth vaccine program ongoing, it is a stimulus from government which give a positive sign for Indonesian Syariah banking business. Good environment condition makes Indonesian syariah bank optimistic in the end 2021 will obtain profit two digits as big as that is amounting to 39.8 trillion rupiah.

Every big company need to have good image in the eyes of its consumers; therefore, it needs to create a good brand image which stay in the public heart and consumers. The BSI company is combined big syariah banking companies with has clear legality. After becoming BSI, they do work brightly and innovatively, making BSI gain recognitions and awarding, which will raise good image for consumer and consumer more enthusiastic and confident to do transaction with BSI.

Condition on social culture law and economics nor technology supports BSI to upgrade syariah financing housing product field. However, based on literacy finance syariah from Financial Services Authority (OJK) or Director of BSI, literacy finance syariah still very low compared to literacy of the conventional finance. BSI needs to increase literacy finance syariah with intensive and broad, especially to circles millennial.

CONCLUSIONS

Indonesian syariah bank consists of merger banks: BRI syariah, Bank Syariah Mandiri, and Bank BNI Syariah. One of its businesses is distribution and financing housing field for intermediate to lower class. Technique to know How prospect business distribution of housing funds in the next future was conducted with PESTEL analysis. Analysis of political side drives government intervention by providing stimulus in a usage of 0 (zero) percent down payment. There is stability and conducive politics within the country, second matter it is a good sign for growth and development business in financing housing field.

From the economic side, year of 2021, economic conditions in a macro way is going to recover, decline Covid cases, and smooth vaccination programs. This matter is positive for BSI. There are low margins can counter if business syariah is expensive. In the social field, millennial people housing need, here is possible opportunities captured by BSI. The use of technology and social media platform, such as Instagram, implemented massively by BSI to promote products and innovation products, as well offers interesting from BSI, here as means to introduce product, building a good image, and leading to consumer loyalty. Environment Problem in housing is managed by BSI with inline cooperation with reliable Developer, classy and high-performance housing. Various awards and achievements received by BSI will improve BSI good image, therefore it can increase consumer interest to do transaction with BSI. On the other hand, it is necessary to enhance literacy by BSI, so that the products offered known by consumers in particular and society in general.

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